Subject: Re: Boy, you got that right!
Posted by Wayne Parham on Mon, 29 Sep 2008 22:09:32 GMT
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If I am to believe what I hear, the banks were encouraged to lower their lending standards in the 1990's. They were giving loans to bad risk borrowers under pressure of a liberal administration during this period. This carried forward for the years that followed, coerced by pressures from Democrats in Congress.Now, maybe "what I hear" isn't accurate, but then again, it comes from interviews with Clinton and others. Maybe those were sound bites and there is a larger context, but it does stand to reason that a liberal agenda to promote spreading the wealth would do this. It doesn't stand to reason that a bank operating solely on free market principles would extend loans to dangerously high risk borrowers. Banks, as a general rule, are pretty conservative institutions with a fairly low tolerance for risk.